

# Federal Rules for Medicaid Managed Care

# Background

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- Although States should not let federal rules force program decisions, they do affect State flexibility
- As Maine decides when and how to add members to managed care, we need to remember that federal rules are different for different members

# Federal Approval

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- All major changes in MaineCare eligibility, services and payment need federal approval
- Two ways:
  - State plan amendment (changing the state’s “contract” with CMS)
  - Waiver request (asking for an exception from federal rules)

# State Plan and Managed Care

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- It is usually faster to change the state plan than ask for a waiver, but that is not always true.
- States can use the state plan to require managed care for everyone except:
  - People eligible for both MaineCare and Medicare (“duals”)
  - Special needs children
  - American Indians
- These groups may enroll voluntarily. To require them to join the state must ask for a waiver.

# Waivers

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- Waiver is used to request a waiver of rules or law
- There are two types of waivers
  - “Standard” waivers (1915)
    - Home and Community Based Waivers (1915c). Maine has several of these – elderly, physically and developmentally disabled.
    - Managed Care (1915b)
  - Demonstration waivers (1115)
    - These are very open. Maine has one for the childless adults (“non-cats”). Massachusetts used one for health care reform.
- Demonstration waivers take longer than managed care waivers.
- Maine expects to use a “standard” waiver.

# **Excluded Members**

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- “Duals” and American Indians are relatively easy to find.
- Special needs children are more difficult. The group must include:
  - Children who could be in an institution (Katie Beckett)
  - Foster care, adoption assistance
  - Blind/disabled (SSI)
  - Getting services for special needs children from Maine CDC.
- CMS suggests there are probably more special needs children than are in these groups, and that special needs children need special protection if they are in managed care.
- There is a separate group working on special needs issues.
- All of these groups may enroll voluntarily under a state plan amendment

## Other Waivers

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- Members can be on home and community based waivers and be in managed care.
- Members can be on the non-categorical waiver and be in managed care.

# Summary of Options

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- State Plan – States can require everyone except special needs children, “duals” and American Indians to enroll in managed care. These special excluded groups can choose to enroll.
- Managed Care Waiver – The excluded groups can be required to enroll with some special protections.
- Demonstration Waiver – This type of waiver is much more flexible, but also harder to get. Maine does not expect to need such a waiver.

# Choice of Provider

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- Usually, there must be a choice of two managed care providers (One choice could be the existing primary care program - PCCM)
- However, in rural areas a member may have a choice of only one program.

# Services

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- The state can decide which services to include in managed care. For example, the State can decide to enroll special needs children in managed care, but the managed care organization may not manage all their services.
- Managed care can provide more service, but not less. For example, some plans offer limited adult dental services.